

Message Text

LIMITED OFFICIAL USE

PAGE 01 ZAGREB 00299 221144Z

16

ACTION OPIC-06

INFO OCT-01 EUR-12 ISO-00 AID-05 EB-07 TRSE-00 AGR-05 L-03

CIAE-00 INR-07 NSAE-00 /046 W
----- 047979

R 191440Z APR 76

FM AMCONSUL ZAGREB

TO SECSTATE WASHDC 3698

INFO AMEMBASSY BELGRADE

USDOC WASHDC

LIMITED OFFICIAL USE ZAGREB 0299

PASS OPIC FOR ACTION

E.O. 11652: N/A

TAGS: BBAK, BENC, BTIO, YO

SUBJECT: POSSIBLE U.S. JOINT VENTURE IN CROATIA - SAVACEL

REF: ZAGREB A-79, 7/28/75

1. REPRESENTATIVES OF THE YUGOSLAV FIRM, JUGOTURBINA-COMMERCE, AND U.S. JOINT VENTURE PARTNER, ENGINEERS INTERNATIONAL CORPORATION, HAVE INFORMED CONGEN THAT YUGOSLAV AUTHORITIES HAVE GIVEN APPROVAL FOR CONSTRUCTION OF MAJOR PULP MILL IN CROATIA. KNOWN AS "SAVACEL", THE PLANT WILL BE LOCATED AT JASENOVAC, ON THE SAVA RIVER. PLANT WILL PRODUCE 150,000 TONS OF BLEACHED PULP ANNUALLY, WITH LARGE PART DESTINED FOR EXPORT. ESTIMATED VALUE OF PLANT IS DOLS 150 MILLION. U.S. FIRM, RUST ENGINEERING, WILL REPORTEDLY SUPPLY MAJOR PORTION OF EQUIPMENT. SAVACEL HAD BEEN IN COMPETITION WITH SIMILAR FRENCH-BACKED PROJECT PLANNED FOR DRAVA RIVER, KNOWN AS "DRAVACEL". HOWEVER, WE ARE INFORMED THAT CROATIAN AUTHORITIES DECIDED IN FAVOR OF SAVACEL.

2. REP OF ENGINEERS INTERNATIONAL INFORMED US THAT MAJOR PORTION OF FINANCING (ABOUT DOLS 100 MILLION) WOULD BE OBTAINED FROM CONSORTIUM OF U.S. BANKS, HEADED BY GIRARUD INVESTMENT CORP. OF PHILADELPHIA. ENGINEERS INTERNATIONAL REPORTEDLY PLANS TO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ZAGREB 00299 221144Z

INVEST DOLS 10-12 MILLION OF ITS OWN FUNDS IN THE PROJECT.

ENGINEERS INTERNATIONAL REP ALSO STATED THAT OPIC WOULD ALSO
TAKE ON SHARE OF FINANCING.

3. WE WOULD APPRECIATE LEARNING WHETHER OPIC HAS ANY PLANS TO
PARTICIPATE IN FINANCING OF SAVACEL PROJECT, AS WELL AS GENERAL
BACKGROUND INFORMATION ON ENGINEERS INTERNATIONAL CORPORATION
(950 WELLINGTON ROAD, ELKINS PARK, PENNSYLVANIA, 19117).
YUGOSLAV SOURCES HAVE INQUIRED ABOUT ENGINEERS INTERNATIONAL,
WHICH HAS BEEN ACTIVE IN JOINT VENTURES IN YUGOSLAVIA. KAISER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ZAGREB00299
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760152-0888
From: ZAGREB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760446/aaaabmut.tel
Line Count: 70
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 ZAGREB A-79
Review Action: RELEASED, APPROVED
Review Authority: powellba
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2004 by BoyleJA>; APPROVED <14 SEP 2004 by powellba>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE U.S. JOINT VENTURE IN CROATIA - SAVACEL
TAGS: BBAK, BENC, BTIO, YO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006